

SENATE BILL 3298

By Kelsey

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 7, relative to health insurance coverage and to enact the "Affordable Health Insurance for Young Adults and Small Business Employees Act."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, is amended by adding Sections 2 through 6 as a new, appropriately designated part:

SECTION 2. This part shall be known and may be cited as the "Affordable Health Insurance for Young Adults and Small Business Employees Act."

SECTION 3. As used in this part, unless the context otherwise requires:

(1) "Employee" means an employee who works for a qualified small employer on a full-time basis, with a normal work week of thirty (30) or more hours, including a sole proprietor, a partner or a partnership, or an independent contractor. "Employee" does not include employees who work on a part-time, temporary, or substitute basis or employees included in a group health care plan of a small employer;

(2) "Health insurance coverage" means benefits consisting of medical care, provided directly, through insurance or reimbursement, or otherwise and including items and services paid for as medical care, under any policy, certificate or agreement offered by a health insurance entity. "Health insurance coverage" does not include policies or certificates covering only accident, credit, disability income, long-term care, hospital indemnity, medicare supplement as defined in § 1882(g)(1) of the Social Security Act, codified in 42 U.S.C. § 1395ss(g)(1), specified disease, other limited benefit health insurance, automobile medical payment insurance, or insurance under which benefits

are payable with or without regard to fault and that are statutorily required to be contained in any liability insurance policy or equivalent self-insurance;

(3) "Health insurance entity" means an entity subject to the insurance laws of this state, or subject to the jurisdiction of the commissioner, that contracts or offers to contract to provide health insurance coverage, including, but not limited to, an insurance company, a health maintenance organization and a nonprofit hospital and medical service corporation;

(4) "Qualified small employer" means a small employer that has not offered health insurance coverage to its employees during the six (6) month period immediately preceding the effective date of a policy issued pursuant to this part;

(5) "Small employer" means, with respect to a calendar year and a plan year, an employer located in this state that employed at least two (2) but not more than fifty (50) employees on business days during the preceding calendar year and who employs at least two (2) employees on the effective date of a policy issued pursuant to this part; and

(6) "State-mandated health benefit" means coverage required under this title or other laws of this state to be provided in a policy of accident and health insurance, as defined by § 56-2-201, or a contract for a health-related condition that (i) includes coverage for specific health care services or benefits; (ii) places limitations or restrictions on deductibles, coinsurance, copayments, or any annual or lifetime maximum benefit amounts; or (iii) includes a specific category of licensed health care practitioners from whom an insured is entitled to receive care. "State-mandated health benefit" includes, but is not limited to, any coverage, or the offering of coverage, of a benefit or provider required by parts 23, 24, 25, or 26 of this chapter.

SECTION 4.

(a) Notwithstanding any provision of law to the contrary, any health insurance coverage that is offered, sold, or issued by a health insurance entity to an individual between nineteen (19) and thirty-four (34) years of age shall not be required to include coverage, or the offer of coverage, for any state-mandated health benefit. Such health insurance coverage may include state-mandated health benefits; provided, that the health insurance entity and the individual shall agree to include the benefits.

(b) A health insurance entity offering, selling, or issuing health insurance coverage to a individual pursuant to subsection (a) that excludes any state-mandated health benefits shall provide to the individual participant a written disclosure statement that lists the state-mandated health benefits that the policy or subscription contract excludes.

SECTION 5.

(a) Notwithstanding any provision of this title to the contrary, any health insurance coverage that is offered, sold, or issued by a health insurance entity to an employee of a qualified small employer shall not be required to include coverage, or the offer of coverage, for any state-mandated health benefit. Such health insurance coverage may include any of the state-mandated health benefits; provided, that the health insurance entity and the employee of the qualified small employer shall agree to include the benefits.

(b) A health insurance entity offering, selling, or issuing health insurance coverage to an employee of a qualified small employer pursuant to subsection (a) that excludes any state-mandated health benefits shall provide to the employee of the qualified small employer a written disclosure statement that lists the state-mandated health benefits that the policy or subscription contract excludes.

SECTION 6. The commissioner of commerce and insurance shall promulgate rules to effectuate the provisions of this part.

SECTION 7. This act shall take effect July 1, 2010, the public welfare requiring it.